

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, AUGUST 15, 2007**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of August 15, 2007, was called to order by Mayor Johnson at 6:35 p.m.

Present: Council Members – Hansen, Hitchcock, and Mayor Johnson

Absent: Council Members – Katzakian and Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

a) Actual Litigation: Government Code §54956.9(a); One Case; *Hartford Accident and Indemnity Company, et al. v. City of Lodi, et al.*, Superior Court, County of San Francisco, Case No. 323658

b) Actual Litigation: Government Code §54956.9(a); One Case; *People of the State of California; and the City of Lodi, California v. M & P Investments, et al.*, United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM

C-3 ADJOURN TO CLOSED SESSION

At 6:35 p.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 6:50 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:03 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

In regard to Items C-2 (a) and C-2 (b), settlement discussion was had and direction was given.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of August 15, 2007, was called to order by Mayor Johnson at 7:03 p.m.

Present: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Absent: Council Members – Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Pastor Alan Kimber, First United Methodist Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Johnson.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 Proclamations – None

D-3 Presentations – None

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Hitchcock, Katzakian second, approved the following items hereinafter set forth **except those otherwise noted** by the vote shown below:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

- E-1 Claims were approved in the amount of \$7,500,105.48.
- E-2 The minutes of July 18, 2007 (Regular Meeting), July 24, 2007 (Special Joint Shirtsleeve Session w/Lodi Budget/Finance Committee), July 31, 2007 (Shirtsleeve Session), August 1, 2007 (Regular Meeting), August 3, 2007 (Special Meeting), and August 7, 2007 (Shirtsleeve Session) were approved as written.
- E-3 Received quarterly report of purchases between \$5,000 and \$20,000.
- E-4 Adopted Resolution No. 2007-165 authorizing the purchase and installation of an ASTRO P25 UHF voted repeater radio system from Motorola and Delta Wireless & Network Solutions in the amount of \$86,860 to replace the Lodi Police Department's existing primary communication channel.
- E-5 Adopted Resolution No. 2007-166 awarding the contract for security services at the Lodi Station and Lodi Station Parking Structure to Securitas Security Services USA, Inc., of Fresno, for the estimated three-year cost of \$255,000, and authorizing the City Manager to negotiate one two-year extension, with escalators not to exceed 5%.
- E-6 Adopted Resolution No. 2007-167 authorizing the purchase of process chemical sodium hydroxide for use at the White Slough Water Pollution Control Facility from Basic Chemical Solutions, of Santa Fe Springs, in the amount of \$55,500, and authorizing the City Manager to approve additional purchases.
- E-7 "Adopt Resolution Awarding Professional Services Agreement for City of Lodi Short Range Transit Plan 2007-2017 to Nelson/Nygaard Consulting Associates, of San Francisco, and Appropriating Funds (\$57,000)" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**
- E-8 Authorized the City Manager to execute renewal and amendment to service agreement contract with the San Joaquin County Sheriff's Office for Community Corps for the period of August 1, 2007 through June 30, 2008.
- E-9 Authorized the Treasurer to enter into agreement with Farmers and Merchants Bank of Central California for the issuance of a City credit card for Community Center Director James Rodems and Interim Parks and Recreation Director Steve Dutra.
- E-10 Approved addendum to State of California Purchase Card Program.
- E-11 Adopted Resolution No. 2007-168 approving pedestrian safety improvements on Century Boulevard at Dartmoor Circle with funds provided by Lodi Unified School District for the benefit of Tokay High School.
- E-12 Adopted Resolution No. 2007-169 approving pedestrian crossing on Woodhaven Lane at Inglewood Drive with funds provided by Lodi Unified School District for the benefit of Woodbridge Elementary School.

- E-13 "Authorize City Manager to Participate in Discussions on the Formation of the Central Valley Resources Agency" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**
- E-14 Set public hearing for September 5, 2007, to introduce ordinance amending Chapter 13.20, "Electrical Service," by amending Section 13.20.210, Schedule EM (Mobile Home Park Service), to become effective November 1, 2007.
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ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-7 "Adopt Resolution Awarding Professional Services Agreement for City of Lodi Short Range Transit Plan 2007-2017 to Nelson/Nygaard Consulting Associates, of San Francisco, and Appropriating Funds (\$57,000)"

This item was pulled for further discussion by Council Member Katzakian.

In response to Council Member Katzakian, Mr. Prima stated the agreement is being done at this time because there are pending projects including Reynolds Ranch and Blue Shield. He stated it is cost effective to do them together and they are conditioned to do a transit study based on environmental requirements.

In response to Council Member Katzakian, Mr. Prima stated the residential development may be a ways off, but the Blue Shield and commercial areas are much closer. He stated service should be available when the doors open.

In response to Mayor Johnson, Mr. Prima stated the information from the study is valid for quite some time unless the plans themselves change significantly.

In response to Council Member Hitchcock, Mr. Prima stated the timing should be consistent with the tentative map process.

MOTION / VOTE:

The City Council, on motion of Mayor Johnson, Hansen second, adopted Resolution No. 2007-170 awarding professional services agreement for City of Lodi Short Range Transit Plan 2007-2017 to Nelson/Nygaard Consulting Associates, of San Francisco, and appropriating funds in the amount of \$57,000. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

- E-13 "Authorize City Manager to Participate in Discussions on the Formation of the Central Valley Resources Agency"

This item was pulled for a presentation by Council Member Hitchcock.

City Manager King provided an overview of the request to participate in discussions about the formation of the proposed Agency. Mr. King specifically discussed the City's contact with PacWest Communications, participation by public and private agencies to look at funding issues for flood and levy issues, other related water issues that may arise, original request for a resolution endorsing the group, communications with the Stockton City Manager regarding the same, the Sacramento County group, purpose of a united voice to address flood and levy control issues, general water concerns for the City, the need to have a seat at the table without financial contribution, and the request to do the same.

In response to Council Member Hitchcock, Mr. King stated staff is requesting a vote on the matter because it is a topic of general concern and staff felt it was important for the Council to be aware of the related issues.

In response to Council Member Hitchcock, Mr. King stated a vote is needed to signal the Council's awareness of the issues and further information will be brought back as it becomes available.

In response to Council Member Hitchcock, Mr. King stated he has not yet had an opportunity to look at the Sacramento model.

Kelly Foote spoke in favor of the proposed item. He specifically discussed the status of the organization as a 501(c)(4), private and public entity involvement, flooding and levy issues throughout the County, Sacramento County model, objectives of the organization, funding issues, PacWest Communications business make-up as a private lobbying company, the ability to bring all interested parties together, possible request for dollars for membership assessed on a need basis, lobbying efforts for federal funds and advocacy on the main issues, public education in response to Federal Emergency Management Agency regulations, and other issues, which may include levy construction, upstream requirements, habitat issues, and groundwater recharge.

In response to Mayor Johnson, Mr. Foote stated there are proposed draft bylaws, but the membership, when formed, will finalize the same.

In response to Council Member Hitchcock, Mr. Prima stated the County sent a package of information, but the bylaws were not clearly identified in the package. Mr. King stated that the current action before the Council is limited to participation in the discussions only.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Katzakian second, authorized the City Manager to participate in discussions on the formation of the Central Valley Resources Agency. The motion carried by the following vote:

Ayes: Council Members – Hansen, Katzakian, and Mayor Johnson

Noes: Council Members – Hitchcock

Absent: Council Members – Mounce

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Ted Koffee, Vice President of the Boosters of Boys and Girls Sports Organization (BOBS), spoke in favor of the organization's contribution of \$20,000 to the "Save the Grape Bowl" effort on behalf of the kids in the community. Council Member Hansen and Mayor Johnson thanked the BOBS for the contribution.
- Richard Jones of the Lodi Boys and Girls Club invited the community and Council to attend the Hall of Fame dinner on October 13, 2007, and introduced the inductees.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Hansen reported on his attendance at a meeting with Northern California Power Agency and Fitch in Calistoga. He also briefly discussed the geyser geothermal project and solar electric project with water pumps as a green resource.
- Mayor Johnson commended Aaron England of the U.S. Air Force Auxiliary for his contributions as a volunteer to the City's beautification.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

None.

I. PUBLIC HEARINGS

None.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) “Appointment of Alternate to the San Joaquin County Solid Waste Management Task Force”

It was requested that this item be brought back to the City Council at the next regularly scheduled meeting after further information regarding meeting schedules and appointment requirements was obtained.

- b) The City Council, on motion Council Member Hitchcock, Johnson second, directed the City Clerk to post for the following vacancy and re-post for the two remaining vacancies by the vote shown below:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

Lodi Arts Commission

Beverly Norcross Term to expire July 1, 2010

Vacancy Term to expire July 1, 2008

Vacancy Term to expire July 1, 2008

J-3 Miscellaneous

- a) The City Council, on motion of Council Member Hansen, Johnson second, accepted the cumulative Monthly Protocol Account Report through July 31, 2007. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

K. REGULAR CALENDAR

K-1 “Receive Results of the 2007 Lodi Citizen Survey”

City Manager King provided an overview of the survey. Specific topics of discussion included citizen satisfaction, approximately \$13,000 cost, study methods, characteristics of residents, use of services and facilities in the last 12 months, core services results, comparisons with national norms, results, value, what residents want, sales tax for public safety, and greenbelt support or opposition, specific questions for support on City-specific responses, and general information provided by survey.

In response to Mayor Johnson, Mr. King stated there is no way to tell from the generalized question on whether or not there was confusion among the responders to the survey regarding fire and ambulance service.

In response to Council Member Hitchcock, Mr. King stated the results and numbers showing how the City’s results compare with other jurisdictions is posted on the City’s website.

In response to Council Member Hansen, Mr. Prima stated citizens with questions or concerns regarding traffic signal timing can contact him or the City Engineer in the Public Works Department. Council Member Hansen requested that information be provided to the Council regarding the same in the future.

In response to Council Member Hitchcock, Mr. Hood stated additional information is also available on the City's website at www.lodi.gov.

MOTION / VOTE:

There was no Council action taken on this matter.

RECESS

At 8:20 p.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 8:31 p.m.

K. REGULAR CALENDAR (Continued)

K-2 "Approve Staff Recommendation for Preferred Site Selection for the Lodi Surface Water Treatment Facilities"

Public Works Director Prima and Richard Stratton (HDR) provided an overview of the alternative site evaluation – initial screening. Topics of discussion included purpose of initial screening, selection criteria, potential surface water treatment facility sites, location of alternative sites, pictures of alternative sites, preliminary evaluation, membrane water treatment plant, conventional water treatment plant, size of site, environmental impact, flood hazard, pipeline, cost, educational opportunities, aesthetic compatibility with surroundings, findings and recommendations, location of recommended site, parks and recreation issues, Commission comments, site aerial view, and the next steps.

In response to Council Member Hansen, Mr. Stratton stated the land acquisition chart shows units in \$1,000 and Site A and E would be close to \$2 million.

In response to Council Member Hansen, Mr. Prima stated the initial Woodbridge Irrigation District (WID) contract provided for a three-year banking period with an extension option. He stated staff is meeting with the District shortly and will be coming back to the Council in the next few months.

In response to Council Member Hansen, Mr. Prima stated the building would need to be raised a little, but the berm separator would stay in place.

In response to Council Member Hansen, Mr. Prima stated the flood maps show that water may come out of the lake by the entrance; although, there is protection with the Commanche Dam in place.

Council Member Hitchcock stated all alternatives should be looked at carefully for costs and impacts on development, existing residents and the plant. She stated she was in favor of Alternative B.

In response to Council Member Katzakian, Mr. Prima stated the pipeline and pump station are upstream and come down and will get five acres or less. Mr. Prima stated there is a trail on the site now.

In response to Council Member Katzakian, Mr. Prima stated it is not a current park and the pipeline can go underneath the railroad.

Discussion ensued between Mayor Johnson and Mr. Stratton regarding water flow down the canal and extraction, Site D options, piping cost versus land savings for Site A and Site B, \$7.5 million for piping, which includes fish screen, WID canal, Bakersfield's dealings with the Department of Health for related matters, risk associated with treatment, negotiations and contract for drawing water, Site D options, and structure costs.

In response to Council Member Katzakian, Mr. Prima stated filtering water back into the City will cost more, the Awani site will take additional work and permitting, and permitting for new diversion points is difficult when one exists already as intake is not recommended.

In response to Mayor Johnson, City Manager King stated the City Council previously considered options associated with forming a Mello-Roos district, assumptions regarding the burden of the cost to be shared by new and existing development, and utilizing development agreements as a tool for the financing element.

Discussion ensued between Mayor Johnson, Council Member Katzakian and Council Member Hansen regarding utilizing the 5-acre piece versus the 13-acre piece and overall use of parkland.

In response to Council Member Hansen, Mr. Prima stated staff has not yet spoken with General Mills regarding its interest level and/or its future plans. Mr. Prima suggested reviewing both sites simultaneously while speaking with General Mills to ascertain its interest level.

In response to Council Member Katzakian, Mr. Prima stated there is no specific plan currently on exact location of the site.

MOTION #1 / VOTE:

Council Member Hansen made a motion, Katzakian second, to move forward with looking at both Site A and Site B. The motion **failed** by the following vote:

Ayes: Council Members – Hansen and Katzakian
Noes: Council Members – Hitchcock and Mayor Johnson
Absent: Council Members – Mounce

City Manager King requested additional deliberation to provide direction to staff.

Discussion ensued between the City Council regarding the possibility of looking at Site B and confirming interest on behalf of General Mills regarding the same.

MOTION #2 / VOTE:

The City Council, on motion of Council Member Hitchcock, Johnson second, directed staff to review the options available for Site B and present information regarding the same to the City Council at the next regularly scheduled meeting. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson
Noes: Council Members – None
Absent: Council Members – Mounce

K-3 "Adopt Resolution Accepting the Estimates of Value and Authorizing the Sale of City-Owned Property"

Fire Chief Pretz provided an overview of the subject matter and specifically discussed the valuations from the appraisal report.

Discussion ensued between Council Member Hansen, Chief Pretz, and City Manager King regarding the possibility of utilizing the Lockeford Street property as affordable housing, similar to the Kentucky House Project, if the site was donated and developer options regarding the same.

Council Member Hitchcock stated she would like to see the proposed sale of the subject properties coincide with redevelopment if possible.

Discussion ensued between Council Member Hitchcock, Chief Pretz, City Manager King, and City Attorney Schwabauer regarding the Awani property site, usage history of the site, and potential options for buyers regarding contractual obligations and environmental analysis.

In response to Council Member Hitchcock, Mr. Prima stated it is likely that the Century Boulevard right of way will not be built due to funding. Mr. Prima also provided a brief history of the right of way.

Kathy Grant spoke in opposition to any proposed sale of the Awani property based on her concerns regarding preservation of the scenic overlook and public access.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Hitchcock second, adopted Resolution No. 2007-171 accepting the estimates of value and authorizing the sale and/or lease of the following City-owned properties by the vote shown below:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – None

Absent: Council Members – Mounce

- 1119 – 1120 Awani Drive (APN 041-250-38 & 041-410-01) 3.65 acres – \$1,200,000
- 217 East Lockeford Street (APN 041-220-02) 1.36 acres – \$ 340,000
- Century Boulevard right-of-way (West of Stockton Street) 3.06 acres – \$ 400,000*

**Annual lease payment of \$40,000 for this property based on appraised value.*

K-4 “Adopt Resolution Authorizing the City Manager to Issue a Request for Proposals for Brokerage Services to Sell Surplus City-Owned Real Estate Properties”

City Manager King provided an overview of the subject matter and proposed brokerage services.

In response to Council Member Hitchcock, Mr. King stated that the request for proposals was open to anyone. City Attorney Schwabauer stated current Planning Commissioner Hennecke would be ineligible to vote on the matter.

In response to Mayor Johnson, Mr. King stated minimums were the appraised amounts. Mr. King provided an overview of the gifting of public funds and estimated values. He confirmed there is no commission.

Discussion ensued between Council Member Hitchcock, Mayor Johnson, and City Manager King regarding the timing of the proposed sale, the need for quality industrial sites, market fluctuations and the process associated with any potential sale.

In response to Council Member Hansen, Mr. King confirmed that the City Council has final say on any actual sale of the property.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Johnson second, adopted Resolution No. 2007-172 authorizing the City Manager to issue a request for proposals for brokerage services to sell the 9.09-acre real estate property located at 500 South Guild Avenue; the 3.65-acre parcel at 1119-1120 Awani Drive; the 1.36-acre parcel at 217 East Lockeford Street; and lease the 3.06-acre right-of-way on Century Boulevard (west of Stockton Street), utilizing a two-tiered brokerage fee structure. The motion carried by the following vote:

Ayes: Council Members – Hansen, Katzakian, and Mayor Johnson

Noes: Council Members – Hitchcock

Absent: Council Members – Mounce

- K-5 “Adopt Resolution Authorizing the City Manager to Execute a Contract with Moore, Iacofano, & Goltsman Inc. to Prepare Guidelines for Transit Oriented Development”

Planning Manager Peter Pirnejad provided a presentation regarding the proposed agreement. Specific topics of discussion included process, requests by five companies, Transit Oriented Development proposal rating system, Moore, Iacofano, & Goltsman Inc. qualifications, staff workings with proposed company, and the design guidelines process.

In response to Council Member Hansen, Mr. Pirnejad stated the City received a grant for this project and no general funds were expended. Mr. King stated the top three consultant proposals were within \$1,000 of one another.

In response to Council Member Hansen, Mr. Pirnejad stated there are additional improvements to be made at the Smart & Final site, but the landscaping work to be performed by Smart & Final was completed. Mr. King stated the E-Map program is a separate piece and the grant will position us to receive additional funding in the future.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, adopted Resolution No. 2007-173 authorizing the City Manager to execute a contract with Moore, Iacofano, & Goltsman Inc. to prepare guidelines for Transit Oriented Development in the amount of \$84,435. The motion carried by the following vote:

- Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson
 Noes: Council Members – None
 Absent: Council Members – Mounce

- K-6 “Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation (\$140,263.96)”

MOTION / VOTE:

The City Council, on motion of Mayor Johnson, Hansen second, approved the expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation in the amount of \$140,263.96, as detailed below, by the following vote:

- Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson
 Noes: Council Members – None
 Absent: Council Members – Mounce

Folger Levin & Kahn – Invoices Distribution

| Matter No. | Invoice No. | Date | Description | Water Account Amount |
|------------|-------------|------------|---|----------------------|
| 8002 | 103186 | Jun 07 | People v. M&P Investments | \$ 6,559.19 |
| 8003 | 103187 | Jun 07 | Hartford Insurance Coverage Litigation | \$158,876.10 |
| | | | Contingency Fee Amount Savings | (100,738.00) |
| | | | Credit for June Client Charges for overpayment of Costs on Inv. #102108 | (8,138.10) |
| 8008 | 103188 | Jun 07 | City of Lodi v. Envision Law Group | \$ 72,462.81 |
| | 14648 | Feb-Apr 07 | PES Environmental, Inc. (Keith O'Brien) | \$ 3,386.00 |
| | | | Total | \$132,408.00 |

MISCELLANEOUS

| Invoice No. | Date | Description | Water Account Amount |
|-------------|-----------|--------------------------------------|----------------------|
| 875201 | 7/26/2007 | Harry A. Cannon | \$ 2,020.80 |
| 875401 | 7/27/2007 | Harry A. Cannon | \$ 1,896.85 |
| 1315518-100 | 6/29/2007 | JAMS Mediation Services | \$ 1,644.66 |
| CA14489 | 7/18/2007 | Veritext Orange County Reporting Co. | \$ 1,001.30 |
| CA14507 | 7/18/2007 | Veritext Orange County Reporting Co. | \$ 1,292.35 |
| | | Total | \$ 7,855.96 |

Continued August 15, 2007

L. ORDINANCES

None

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 10:31 p.m.

ATTEST:

Randi Johl
City Clerk